



**WAYNE COUNTY COMMUNITY IMPROVEMENT CORPORATION
WAYNE COUNTY**

BASIC AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2016-2015



Dave Yost • Auditor of State



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Wayne County Community Improvement Corporation
Wayne County
542 E. Liberty Street
Wooster, OH 44691

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Wayne County Community Improvement Corporation, Wayne County, Ohio, (the CIC) for the years ended December 31, 2016 and 2015.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the CIC's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the CIC's financial statements, transactions or balances for the years ended December 31, 2016 or 2015.

The CIC's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Current Year Observations

1. **Ohio Rev. Code §117.38** states that each public office shall file a financial report for each fiscal year. The report shall be certified by the proper officer or board and filed with the auditor of state within sixty days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within one hundred fifty days after the close of the fiscal year. The auditor of state may extend the deadline for filing a financial report and establish terms and conditions for any such extension. Any public office not filing the report by the required date shall pay a penalty of \$25 for each day the report remains unfiled, not to exceed \$750. The AOS may waive these penalties, upon the filing of the past due financial report.

The CIC reports their financial statements on the cash basis of accounting. However they did not file their 2015 annual report until March 21, 2017, which is more than 60 days after fiscal year-end. They did not file their 2016 annual report until July 14, 2017, which is more than 60 days after fiscal year-end.

By not filing timely, the CIC is subjected to penalties.

The CIC should ensure their cash basis report is filed with the Auditor of State by the filing deadline of within 60 days of fiscal year-end, as required by **Ohio Rev. Code §117.38**.

Current Status of Matters we Reported in our Prior Engagement

1. The CIC did not perform bank to book reconciliations which resulted in a difference of \$4,950 between the bank balance and the CIC book balance. As noted in number 2 below, this variance consists of unposted receipts and disbursements, along with errors posted to the CIC ledgers.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Posting errors or unposted transactions result in inaccurate fund cash balance information, and conceivably could cause deficit spending. The fiscal officer should make the necessary corrections to the CIC's book balance to ensure the proper book balance is recorded.

Also, the CIC's small size requires governing board involvement with critical accounting processes (such as bank reconciliation) to compensate for the inability to segregate these duties. The absence of these reviews may be a material weakness in internal accounting control, resulting in inaccurate cash balances, or even undetected theft.

AA noted the CIC hired outside services after the prior year audit. The CIC is now reconciled.

2. We noted the following issues related to receipts and expenses:
 - a. During 2013, the CIC posted two adjustments to interest income which reduced revenue by approximately \$42. However, there was no support as to why these adjustments were made, and therefore, they should be removed from the CIC's ledgers.
 - b. During 2014, the CIC did not post March 2014 interest revenue in the amount of \$11. This amount should be added to the CIC's ledgers.
 - c. During 2014, the CIC did not post a check for \$5,000 which cleared the CIC's financial institution in November of 2014. This amount should be added to the CIC's ledgers.
 - d. During 2014, the CIC posted a check written for \$2,930 to their system as \$2,927, resulting in a \$3 error. This amount should be added to the CIC's ledgers.

As a result of the errors, the CIC's book balance is overstated by \$4,950.

The CIC should review account postings to ensure receipts and expenses are posted accurately to the accounting system. Furthermore, implementing strong monitoring controls will aide in identifying posting variances.

AA noted the CIC hired outside services after the prior year audit. The CIC is now reconciled.



Dave Yost
Auditor of State
Columbus, Ohio

October 25, 2017



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WAYNE COUNTY COMMUNITY IMPROVEMENT CORPORATION

WAYNE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 9, 2017**